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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, Jan. 22

NIKKEI (Page 2) (Full)  
January 23, 2008

07:55

Met with Deputy Chief Cabinet Secretary Iwaki at Kantei.

09:00

Attended a cabinet meeting. State Minister in Charge of Financial Services Watanabe remained.

10:01

Attended an Upper House plenary session.

12:13

Met with Deputy Chief Cabinet Secretary Ono at Kantei.

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13:39

Met with Finance Minister Nukaga.

14:02

Attended a Lower House plenary session.

16:35

Met with MSDF's First Escort Division Commander Saeki at Kantei, joined by Joint Staff Council Chairman Saito and others. Afterwards, met with Vice Foreign Minister Yabunaka, joined by Deputy Foreign Minister Sasae.

17:30

Attended a New Year meeting hosted by the LDP's political fund organization Kokumin Seiji Kyokai at Hotel New Otani.

19:30

Met with Cabinet Office's Policy Planning Director Saito.

20:16

Arrived at residential quarters in Kantei.

4) Government helpless as share prices fall

MAINICHI (Page 3) (Full)  
January 23, 2008

"Under the current situation, we do not need to react nervously (to stock price falls)," Finance Minister Fukushima Nukaga said.

"The current market conditions originate from the U.S., so it is difficult for Japan to take any action alone," State Minister in Charge of Economic and Fiscal Policy Hiroko Ota said.

Seeing Tokyo stocks plunge for two days in a row, many market players felt disappointed yesterday. Mizuho Securities chief market economist Yasunari Ueno commented: "Remarks made by government sources imply their sense of helplessness."

Officials in the Prime Minister's Office conferred with representatives from the Finance Ministry and the Internal Affairs Ministry on measures to shore up share prices. However, they failed to find effective measures and agreed to watch the market for the time being. Given that the global-scale equity plunges have their origins in the U.S., Finance Ministry officials take the view that buying shares with public funds or a fiscal stimulus will not be effective.

The remaining means is quantitative easing. In response to the U.S. Federal Reserve Board's decision to slash interest rates as an emergency measure to deal with the ongoing equity plunges, an economic minister suggested: "The Bank of Japan also should lower its key interest rate." But there is strong resistance to this idea

in the central bank. In a press conference, BOJ Governor Toshihiko Fukui expressed his negative view about a cut in the interest rate, saying: "It is important to make a judgment from a long-term viewpoint."

Fukuda stresses steady underpinnings of Japanese economy

Asked about the ongoing global-scale share price falls, Prime Minister Yasuo Fukuda emphasized yesterday that the underpinnings of

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the Japanese economy remain steady. He said: "Stock prices have plunged on a global scale. The falls were not triggered by fears about the Japanese economy." He added that economic problems, in addition to environmental issues, will be high on the agenda at the upcoming annual assembly of the World Economic Forum, or the Davos Conference, in which he plans to participate.

5) Economic situation delicate: BOJ governor looking at situation carefully

NIKKEI (Page 1) (Full)  
January 23, 2008

The Bank of Japan (BOJ) yesterday decided to leave interest rates unchanged at its policy-setting meeting. Governor Toshihiko Fukui during a press briefing held after the meeting expressed his perception that the economic and financial situations are at a delicate stage in terms of judging their future. Regarding the global stock plunges, he pointed out that the situation could negatively affect the Japanese economy by lowering the value of assets and dampening consumer sentiment. He thus indicated a stance of carefully keeping watch on the global economic and financial situation.

Fukui told the press conference that the domestic economy is on the verge of losing steam. However, he added that it is highly likely that the economy will continue sustained growth. The BOJ has managed monetary policy in a manner of normalizing interest rates. Fukui said, "There will be no change in that basic stance." However, he indicated concern over commotion in the financial markets, noting, "The market is strongly aware of uncertainties in the global economy."

6) Government desperately trying to ease concerns about effect of plummeting stock market on Japanese economy; Calls for urgent measures growing, even from ruling party members

TOKYO SHIMBUN (Page 2) (Excerpts)  
January 23, 2008

In the face of recent sharp drops in stock prices, the government and the ruling camp have been desperately trying to alleviate growing concerns about the future of the economy. Since the plunge was triggered by the slowdown of the U.S. economy, the government feels it just has to carefully watch the situation for now. Even so, stock prices have fallen so sharply that many are seriously concerned about its effect on the Japanese economy. Some members of the ruling camp have begun to call on the government to take some measures to lift stock prices.

Prime Minister Yasuo Fukuda reiterated in replying to questions in a representative interpellation session yesterday:

"Our nation's economy has been on a recovery path. But we will continue to closely watch risks from the slowing U.S. economy, as well as the effects of changes in the financial and capital markets and rising oil prices on the Japanese economy."

After seeing the 225-issue Nikkei Stock Average losing 752 points from the previous day, Deputy Chief Cabinet Secretary Iwashiro issued the government's view that "We expect the recovery (of the economy) will continue into the future."

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The government and the ruling bloc take the ongoing equity drops as "a result of being affected by the U.S. bubble economy," as said by Liberal Democratic Party Secretary General Bunmei Ibuki. On the U.S. subprime mortgage crisis, as well, LDP Policy Research Council Chairman Sadakazu Tanigaki, in an attempt to calm down the situation, commented: "Japan has been damaged the least."

Contrary to their surface calmness, many participants called for measures to stop the equity falls during an executive liaison meeting and an Executive Council meeting in the LDP yesterday.

Former Secretary General Hidenao Nakagawa of the Mori faction, to which the prime minister belongs, also said before reporters in the Diet building: "The government should come up with policy goals that can have the international community feel that Japan is continuing to grow."

7) Government, ruling parties slow to respond to falling share prices; Premier finds it difficult to display leadership

NIKKEI (Page 2) (Excerpts)  
January 23, 2008

The government and the ruling camp have been slow to respond to global stock plunges. Prime Minister Yasuo Fukuda finds it difficult to display leadership, preoccupied with Diet affairs. Given the fact that the nation is strapped with huge fiscal deficits, the idea of making fiscal disbursements is not realistic. It is also difficult to implement further deregulation. Related sources are trying to sound calm, with one noting, "I will closely watch the situation." However, unable to find any breakthrough in the situation, they are increasing becoming impatient.

Fukuda yesterday evening said, "What is taking place is global stock plunges, which do not stem from the actual condition of the Japanese economy." He also noted, "The impact of the subprime loan crisis on Japan is far smaller compared with its impact on Europe and the U.S." He made those comments in response to questions asked by reporters at the Prime Minister's Office (Kantei). Fukuda said that he wants to implement a growth strategy. However, since his growth strategy lacks specific, it has not affected the market.

Fukuda yesterday morning called in State Minister in Charge of Financial Services Yoshimi Watanabe and ordered him to analyze the present situation. Given the falling stock prices, which show no sign of touching bottom, the Kantei has thus at last moved and started considering holding a meeting of related cabinet ministers. The U.S. Federal Reserve Board (FRB) yesterday evening lowered the interest rate as an emergency measure. Watanabe simply commented, "It will produce effects as a stopgap measure."

There is a growing sense of alarm in the Liberal Democratic Party (LDP) as well. Shoichi Nakagawa during a study meeting with lawmakers who are distancing themselves from the administration, such as Takeo Hiranuma, raised his voice, saying, "To be honest, I am getting impatient. Does Japan have to do nothing?"

Some junior LDP members pinned hopes on Taro Nakagawa with one saying, "It is Taro Nakagawa who is collecting information at a time like this."

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However, those discussions went no further than that. Yuji Tsushima during a General Council meeting held yesterday afternoon said, "Patiently taking a wait-and-see attitude would serve our national interest." Mitsuo Horiuchi countered, "We must not remain unconcerned. We must show that we are tackling the issue seriously."

8) Bank of Japan decision board revises downward growth prediction for fiscal 2007 to 1 - 1.5 PERCENT level (Yomiuri)

YOMIURI (Page 2) (Excerpt)

January 23, 2008

The Bank of Japan (BOJ), at a meeting yesterday of its monetary policy decision board, decided to revise downward the real GDP growth estimate for fiscal 2007 from the current 1.8 PERCENT to between 1 and 1.5 percent, as indicated in the BOJ mid-term outlook on the economic and price situations. One of the chief factors was the drag on the economy from sluggish housing investments.

9) LDP at odds over timing of House of Representatives passing gasoline tax bill, with Lower House caucus favoring mid-February and Upper House members opting for late January

TOKYO SHIMBUN (Page 2) (full)  
January 23, 2008

There is now discord in the ruling Liberal Democratic Party (LDP) over when a bill revising the Special Tax Measures Law designed to maintain the provisional gasoline tax rate should be passed by the House of Representatives. The reason is that the LDP caucus in the Lower house aims to push it through the Lower House in mid-February, but its members in the House of Councillors have called on the Lower House to pass it by the end of January. The LDP's Lower House caucus is determined to get the bill passed by the chamber in an amicable manner and to enact it before the end of March by securing cooperation from the main opposition Democratic Party of Japan (DPJ or Minshuto).

The party's caucus in the Upper House, however, has argued that if the Lower House passes the legislation within January, enacting it before the end of March will be possible by resorting an article of the Constitution, which allows a bill to be sent back to the lower chamber if the bill has not been voted on within 60 days, even if the DPJ drags it feet in putting it to a vote. The Upper House side is determined that some confusion in the Lower House is inevitable.

If the bill to revise the Special Tax Measures Law, a bill related to the budget, is sent to the Upper House earlier than the budget bill, which is usually passed by the Lower House from late February to early March, the DPJ is certain to react strongly against such a move.

A senior LDP Lower House member pointed out: "If deliberations are discontinued for a long time, the prime minister might be forced to dissolve the Lower House."

Hidehisa Otsuji, chairman of the LDP's Upper House caucus, rebutted:

"The possibility is strong that the prime minister will be forced to dissolve the Lower House over the confusion caused by raising again

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gasoline prices after they are reduced (because of the expiration of the Special Tax Measures Law on March 31), rather than uproar to be caused by passage of the bill in January."

The Upper House caucus is looking into a possibility of having a senior member directly appeal its assertion to Prime Minister Yasuo Fukuda.

In the previous extraordinary Diet session, the LDP's views were divided in the two chambers over whether they would go straight through the New Year in the extra session.

10) Internal Affairs and Communications Ministry estimates that elimination of provisional gasoline tax rate would dent Hokkaido's revenues by 57.8 billion yen

MAINICHI (Page 1) (Abridged slightly)  
January 23, 2008

The Ministry of Internal Affairs and Communications, projecting that a possible abolition of the provisional tax rates in March would reduce local revenues by 906.4 billion yen, revealed its breakdown by prefecture (including municipalities). Hokkaido tops the list at

57.8 billion yen, and Tottori is at the bottom at 5.2 billion yen. The abolition would hit harder local governments whose fiscal scales are the smallest.

The largest opposition Democratic Party of Japan (DPJ or Minshuto) is calling for the abolition of the provisional gasoline tax rate, saying that the decline in revenues would be reduced by cutting local governments' costs of state-controlled projects and building only the roads that are absolutely vital for local areas. The DPJ is locking horns with the government and local governments that are calling for the maintenance of the provisional tax rates.

The fiscal 2008 local fiscal plan includes 906.4 billion yen that is expected to result from the provisional tax rate to be used for road projects. The ministry divided this amount by the prefectures in proportion to their fiscal 2006 account settlements to give a rough idea about declines in revenues. There are discrepancies in the amounts independently worked out by each local government.

Hokkaido (39 billion yen for the prefecture, 18.8 billion yen for municipalities) tops the list, followed by Aichi at 56.3 billion yen (38.5 billion yen for the prefecture, 17.8 billion yen for municipalities), Tokyo at 50.5 billion yen, Saitama 41.5 billion yen, and Osaka 39.3 billion yen.

In terms of rate to the fiscal 2005 tax revenues (local taxes and local tax grants), Hokkaido was 6.5 PERCENT, Tokyo 0.6 PERCENT, and Aichi 3.4 PERCENT. Declines in revenues would be small in such prefectures as Tottori, Kochi, and Wakayama, but their ratios to the total tax revenues would be higher than urban prefectures at 5-7 PERCENT.

Revenues from the provisional tax rate are designed to fund road projects in local areas, but general revenues and local bonds are also used to cover shortfalls in such revenues. According to the ministry, the prefectures' and municipalities' loan repayments for road projects amounted to 2.1 trillion yen and 1.3 trillion yen, respectively, in fiscal 2006. In order to maintain road projects at the current level under reduced revenues, the costs of welfare,

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education and other areas must be reduced, according to the ministry.

11) DPJ readies outline of counterproposal to government's budget bill that contains proposed scrapping in principle of special accounts

YOMIURI (Page 2) (Full)  
January 23, 2008

It was learned yesterday that the Democratic Party of Japan (DPJ or Minshuto) has readied an outline of a bill to change the function of the budget that will be presented to the regular Diet session as the party's counterproposal to the government's budget bill. Until now the party has been considering a bill to change the function of outlays, aiming to demonstrate a future-oriented image of the national budget in the event that the DPJ assumed the reins of government.

In order to develop specific policies for road construction and the like, the outline would not only scrap in principle the general account budget and the special accounts under it, it also would create a "debt management agency," which would manage on the same plane the country's assets and debt.

On the expenditures front, it was decided to allocate the budget heavily in five areas, including 1) reform of the public pension system; 2) expansion of child-rearing assistance; and 3) creation of a system of income compensation for family farmers.

In order to secure resources for such proposals, the draft suggests seven policy measures, including realignment and consolidation of budget allocation by scrapping in principle the special accounts; a basic revision of the special corporations, and activation of government-possession funds.

Regarding the path to fiscal reconstruction, the target for the time being would be to basically review fiscal management, and then implement a plan in stages over four years starting in fiscal 2008. The draft states: "With fiscal 1011 as the target, the plan aims to achieve a basic fiscal surplus in revenues over expenditures."

Moreover, the draft states: "A body for comprehensive consultations will be established in the cabinet that would investigate and deliberate on such matters as fiscal management and a basic policy direction related to budget compilation."

12) DPJ outlines proposals countering government's budget draft

ASAHI (Page 4) (Full)  
January 23, 2008

The Democratic Party of Japan (DPJ or Minshuto) yesterday outlined a bill to change budgetary functions, which it will introduce during the regular Diet session as a proposal countering the government's budget draft. The package cites a goal of bringing the primary balance into the black by fiscal 2011, which is similar to the government's. It also notes that funding resources needed to realize policies included in its Upper House election manifesto can be secured by abolishing special account budgets. The DPJ aims to show what it would do after taking the reins of government, highlighting problems with the government's draft budget.

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The outline proposes reforming the structure of revenues and expenditures, featuring abolition in principle of special account budgets, including special-purpose road construction revenues, through abolition or privatization of special public corporations and independent administrative agencies. The package also includes a proposal for reforming the budget compilation process in the event of the DPJ assuming the reins of power, including shifting the budget compilation authority centered now on the Finance Ministry to the Cabinet Office.

According to the outline, the DPJ would intensively distribute budget funds by realizing proposals for policies directly related to people's lives and measures to correct social disparities. It also indicates such policies as reforming the pension system, improving measures to assist child-rearing and establishing a system of compensating individual farmers.

However, the package does not include any specific figures, though the DPJ calls it a counterproposal. "Next Cabinet" finance minister Masaharu Nakagawa cited boiling down ideas on fiscal resources as the issue to tackle. He said, "I want to come up with convincing figures so that people can have a vision under the DPJ's framework."

Main points of outline of bill to change budgetary functions

(Basic ideals)

Bring the primary balance into the black by fiscal 2011. Procure funding necessary for new projects by taking a second look at existing projects.

(Spending cuts)

Drastically review public works. Introduce a proper contract process. Take necessary measures regarding special public corporations and independent administrative agencies with the possibility of abolishing or privatizing them. Abolish in principle special account budgets.

(Budget compilation)

The Cabinet Office should be in charge of budget compilation to enable the cabinet to take the initiative. Establish a debt control agency that will be in charge of both assets and liabilities.

13) DPJ gives free hand to Ozawa on issue of picking new BOJ governor

ASAHI (Page 4) (Full)



January 23, 2008

The main opposition party Democratic Party of Japan (DPJ or Minshuto) has stopped making comments regarding the appointment of a successor to Bank of Japan Governor Toshihiko Fukui, whose term will expire in March. Amid concern about the negative impact of the U.S. subprime mortgage crisis, the DPJ has determined that the appointment of a new BOJ governor should be decided without confusion since there is a possibility that it will come under criticism from within and outside Japan if it disagrees with the government's appointment plan. Many in the largest opposition party are against the idea of promoting Vice Governor Toshiro Muto to the governorship, which the government and ruling parties favor. Therefore, some DPJ members are now looking for a candidate other than Muto.

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The DPJ intends to call on the government and ruling coalition to pick several candidates. It will also recommend more than one candidate in order to have negotiations with them behind closed doors. President Ichiro Ozawa held a meeting yesterday with Deputy President Naoto Kan and Secretary General Yukio Hatoyama, in which he asked them to make sure: "Is it OK for you that former bureaucrats are acceptable as candidates for the BOJ governorship?" Kan and Hatoyama then replied: "Yes." The two executives reportedly entrusted the matter entirely to Ozawa.

DPJ lawmakers connected the matter have told Ozawa that: (1) former administrative vice finance ministers should not be picked as candidates in view of the principle of the separation of fiscal and financial sectors; and (2) candidates' financial policy should be a criterion for deciding the new governor." If the choice of (1) is adopted, there would be no possibility for Muto to replace Fukui.

The DPJ is, however, nervous about information control because there is a possibility that it will come under criticism, if the Japanese economy deteriorates triggered by the appointment of new BOJ governor.

Ozawa stated in a press conference yesterday:

"There is a principle that placing retired senior bureaucrats into the post is not good. I will accept anybody who is competent to bring about the stable financial situation for the daily lives of people."

14) Prime Minister Fukuda intends to call for credit control at Davos conference

ASAHI (Page 2) (Abridged slightly)  
January 23, 2008

Prime Minister Yasuo Fukuda is scheduled to address the annual World Economic Forum (Davos Conference) on Jan. 26. The prime minister has begun considering calling for international monetary and credit control, in addition to environmental issues, bearing in mind the G7 conference of finance ministers and central bank governors to be held in Tokyo in early February. He is apparently aware of the observation that plunging stocks in Tokyo comes in part from mistrust in the Fukuda administration.

Norihiro Fujito of Mitsubishi UFJ Securities said: "As seen in the stalemated reform policy course, a sense of stagnation regarding Japanese politics has triggered selling of Japanese stocks." But at present, what the administration can do about the market is limited. A person close to the prime minister said: "People say that the government has done nothing, but what step is available?" Economic and Fiscal Policy Minister Ota also noted, "Basically, the situation resulted from the United States, so it is difficult for Japan to take any effective means." The prime minister aims to play up at least the government's keen sense of alarm at the Davos conference.

15) Prime Minister Fukuda to propose at Davos meeting the setting of country-specific greenhouse- gas-emission reduction targets

TOKYO 00000166 011 OF 014

Prime Minister Fukuda decided to call on major greenhouse gas emitter nations to set their respective mid-term targets for greenhouse gas emission reduction in a speech he will deliver at the World Economic Forum in Davos, Switzerland, which is to begin today. Fukuda already declared he would express the need to set mid-term goals for greenhouse gas reduction, but he has now judged it is indispensable to set country-by-country mid-term reduction targets in order to meet the long-term goal of halving the current levels of world greenhouse gas emissions by 2050.

By demonstrating Japan's willingness to work together with the European Union, which has called for country-specific restrictions, Fukuda aims to dispel the criticism that Japan is unwilling to take action against climate change and that it will seek to lead climate change debate at the upcoming Group of Eight (G8) Hokkaido Toyako Summit in July.

Mid-term country-specific goals are based on a post-Kyoto Protocol framework to be applied in 2013 after the Kyoto Protocol expires in 2012. Possible levels of greenhouse gas emission reduction by industry and by sector will be computed on a country-by-country basis and both will be added up. This way of calculation has an advantage because it can show how much greenhouse gas emission can be reduced in the same industry, even though each country has its own reduction criteria. So, this calculation can be used as a ground to call on countries that set low reduction goals to raise them.

16) DPJ Secretary General Hatoyama to attend Davos Conference in President Ozawa's place

NIKKEI (Page 2) (Full)  
January 23, 2008

Democratic Party of Japan (DPJ or Minshuto) President Ichiro Ozawa stated yesterday at a press conference: "Because of the (tense) situation in the Diet, I have no plans now to attend the World Economic Forum (Davos Conference)." The largest opposition party has repeatedly changed its policy of having Ozawa attend the international conference since it officially announced that Ozawa would go to Davos. Secretary General Yukio Hatoyama will attend the session in Ozawa's place.

According to a senior DPJ member, Ozawa made a final decision on Jan. 21 not to attend the conference due to his poor physical condition.

Ozawa underscored at yesterday's press meeting: "I said from the beginning that I was uncertain whether I would go or not." When asked by reporters about his physical condition, he responded: "I cannot do what I could do when I was young. But I can do anything for election campaigns."

17) Greenpeace obstructs research whale ship's refueling

ASAHI (Page 7) (Full)  
January 23, 2008

According to the Fisheries Agency's (FA) information, around 9:30 a.m. on Jan. 22, when a supply ship was approaching the whaling ship Nisshinmaru of the Institute of Cetacean Research in the Southern Ocean to refuel it, a rubber raft from Greenpeace, an environmental activist group opposing whaling, obstructed the refueling by intruding into waters in between Nisshinmaru and the supply boat.

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The rubber raft at one point was entangled in wire linking buffers of the two ships, but no one was injured. The refueling went ahead, and the rubber raft left the scene immediately, the FA said.

18) In interview, Australian trade minister says whaling issue must

not affect relations

ASAHI (Page 7) (Full)  
January 23, 2008

Visiting Australian Trade Minister Crean gave an interview with an Asahi Shimbun reporter in Tokyo, and when asked about the whaling issue, over which Japan and Australian have differing opinions, Crean said, "We must prevent this issue from spilling over into other sectors," and indicated he would pay due consideration so that it would not have any impact on the entire bilateral relationship.

Crean is the first Australian cabinet member to visit Japan since the Labor Party-led government was launched in last December. The Labor Party criticized the former Howard administration for its lukewarm antiwhaling attitude. The party is prodded by the Greens and environmental groups to take a tough stance against Japan.

In the interview, Crean noted, "The people of Australia are of the opinion that the whaling issue should not be linked to other issues," and indicated he drew a clear line between hardliners and himself.

On negotiations with Japan on an economic partnership agreement, Crean said, "Generally, talks are going well," but he added, "We understand the difficulties facing Japan, but if Japan is unable to compromise in the agriculture sector, no progress can be expected."

19) Moriya indicted on additional charges

YOMIURI (Page 1) (Full)  
January 23, 2008

A task force of the Tokyo District Public Prosecutors Office indicted to the Tokyo District Court former Administrative Vice Defense Minister Takemasa, 63, and Motonobu Miyazaki, 69, a former managing director of Yamada Corporation, a trading firm dealing in defense equipment, on additional charges for bribery over the Defense Ministry's procurement of equipment for the Self-Defense Forces. Moriya is charged with taking bribes. He allegedly was treated by Miyazaki to golfing outings worth about 4.97 million yen when he was in the post of vice defense minister. Miyazaki is charged with giving bribes. Moriya is further charged with violating the Diet Testimony Law (perjury) for falsifying his testimony when summoned to the Diet as a sworn witness.

Prosecutors have now ended their investigation of Moriya's bribery case. However, the task force will continue to investigate collusion involving politicians, bureaucrats, and businesses.

20) New Komeito discusses permanent law for SDF missions overseas

MAINICHI (Page 5) (Abridged)  
January 23, 2008

New Komeito-the ruling Liberal Democratic Party's coalition partner-held a joint meeting of its panels on foreign affairs,

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national security, and cabinet affairs yesterday to kick off a full-fledged discussion of permanent legislation for Japan to send the Self-Defense Forces for overseas missions. Prime Minister Yasuo Fukuda, in his recent policy speech before the Diet, indicated that the government would consider creating a permanent law. The government is now about to move on permanent legislation, and New Komeito will therefore prepare itself for the move. New Komeito has so far remained cautious about the idea of creating a permanent law for SDF dispatches, with its President Akihiro Ota maintaining that the Diet should separately handle each case. However, the leading opposition Democratic Party of Japan (Minshuto), as well as the LDP, is positive about permanent legislation. New Komeito took a step forward, fearing that it could be isolated if it does not join in the discussion.

However, Soka Gakkai, the religious body that backs New Komeito, is cautious about permanent legislation for SDF activities overseas.

New Komeito premises its discussion on three points: 1) SDF activities overseas should be within the bounds of constitutionality; 2) civilian control should be ensured with the Diet's involvement; and 3) SDF personnel's use of weapons overseas should be allowed in limited cases.

21) Diet chairs, vice chairs to consult if ruling, opposition parties get nowhere

YOMIURI (Page 2) (Full)  
January 23, 2008

House of Representatives Speaker Kono and House of Councillors President Eda met in the Diet yesterday to discuss what to do if and when the ruling and opposition parties are bogged down in their talks over Diet steering. In the meeting, the two Diet chairs concurred that they will meet to consult in that event, with the lower chamber's vice speaker and the upper chamber's vice president also attending. The Diet is currently lopsided with the ruling coalition of the Liberal Democratic Party and New Komeito holding a majority of the seats in its lower chamber and the opposition bench dominating the House of Councillors. This is the first time for the two Diet chairs to hold a formal meeting and exchange views on how to steer the Diet.

Kono called the meeting. House of Representatives Vice Speaker Takahiro Yokomichi and House of Councillors Vice President Akiko Santo were also present at the meeting.

Later in the day, Kono and Eda met the press. According to their accounts, the two in their meeting took up the fact that a now-enacted new antiterrorism special measures law was passed in a second vote of the House of Representatives after it was voted down in the House of Councillors as the first case of overriding the upper chamber's decision in a half century. "It was not a praiseworthy process," Eda said. Kono and Eda agreed to meet and consult, with their respective deputies attending from both houses, if the ruling and opposition parties ever get nowhere in their talks.

Kono and Eda did not talk about the propriety of taking a second vote on a once-rejected bill, according to their press remarks. The two also said they did not talk about how to handle specific bills, such as a bill revising the Special Taxation Measures Law to keep the current provisional rate of taxation on gasoline, which is a

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point of contention in the current Diet session.

The Diet has just convened an ordinary session. The two top parliamentary leaders' unusual meeting at this point is believed to be intended to appeal on the importance of building a consensus through talks. However, they also agreed that the four Diet leaders would not meet regularly. Some ruling and opposition lawmakers are concerned about their meeting this time, with one of them saying: "There's no guarantee that the ruling and opposition parties will accept the results of their meeting. If they get involved too deeply, they may hurt the Diet's authority as well as their own."

22) Civil servant reform panel decides to forgo plan to ban contacts between lawmakers and bureaucrats, recommend strict rules instead

ASAHI (Page 1) (Excerpts)  
January 23, 2008

The council on comprehensive reform of the civil servant system chaired by Toshiba Chairman Tadashi Okamura, an advisory panel to Prime Minister Fukuda, reached a broad agreement yesterday on its final report. The original draft had been designed to prohibit civil servants from making contacts with politicians in principle. This part was eliminated from the final report, allowing civil servants to make contacts under "strict rules" when there are orders by cabinet ministers. The report also clearly specifies that what is tentatively called the "cabinet personnel agency" to exclusively handle the personnel affairs of national civil servants be established in fiscal 2009. The panel will present the report to the

prime minister after its final decision on Jan. 31.

Modeling after Britain, the original draft was designed to ban "in principle" the general civil servants, except for the parliamentary affairs specialists to be established to assist the senior vice-ministers, parliamentary secretaries, and cabinet ministers with their Diet responses, from making direct contacts with lawmakers.

But drawing fire from the LDP and other parties, the report was modified into "centrally control contacts between politicians and bureaucrats by establishing strict rules, such as limiting to cases with orders by cabinet ministers." The panel says that lawmakers' influence peddling toward civil servants can be eliminated, with one council member saying, "The system allowing civil servants to contact lawmakers on an individual basis is a problem. Problems can be eliminated if contacts are controlled under the leadership of cabinet minister." But the "strict rules" might become toothless depending on what will go into it.

SCHIEFFER